



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

0001

January 27, 2010

Pancho Chavez, Branch Manager
Wells Fargo Bank, Northwest N.A.
326 South Main Street
Milford, Utah 84751

Subject: Authorization for Partial Release of Reclamation Surety, Certificate of Deposit, Basin Perlite, Pearl Queen, M/001/0027, Beaver County, Utah

Dear Mr. Chavez

Wells Fargo is presently holding a Certificate of Deposit # [redacted] and Certificate of Deposit # [redacted] for the benefit of the State of Utah, Division of Oil, Gas and Mining as a form of reclamation surety for Basin Perlite, Pearl Queen project. At the company's request and after site inspections to verify that reclamation work has been satisfactorily completed, this letter will authorize reduction of the face value of the Certificate of Deposit # [redacted] to no less than \$ 57,700 dollars and the total release of Certificate of Deposit # [redacted].

When this transaction has been completed, please supply the Division with an amended CD showing the new amount of \$57,700.

If you have any questions or concerns, please contact Dana Dean at 801-538-5320, or Paul Baker at 801-538-5261. Thank you for your help in this matter.

Sincerely,

John R. Baza
Director

JRB:tm:pb

cc: Basin Perlite 1400 16th St Ste200, Denver, Colorado
jblake@utah.gov
Ed_ginouves@blm.gov

P:\GROUPS\MINERALS\WP\M001-Beaver\M0010027-PearlQueen\bond\relp-2998,3277-01262010.doc

0001



From: John Blake
To: Tom Munson
CC: Tom Faddies
Date: 1/26/2010 9:09 AM
Subject: Partial Bond Release Concurrence; Pearl Queen Mine

Mr. Tom Munson, DOGM:

The Trust Lands Administration concurs in the partial release of reclamation surety in the case of the Pearl Queen Mine, M001/0027, in an amount not to exceed \$23,985.03. Thank you for consulting with me in this matter.

John T. Blake
Trust Land Mineral Specialist
SITLA

~~RECEIVED E-Mail
JAN 6 5 2010
Div. of Oil, Gas & Mining~~

RECEIVED E-Mail
JAN 26 2010
Div. of Oil, Gas & Mining

M/001/0027

From: <Ed_Ginouves@blm.gov>
To: "Tom Munson" <tommunson@utah.gov>
Date: 1/25/2010 2:09 PM
Subject: Re: basin perlite release
Attachments: 80276 Map 1(Jan 2010).pdf

Tom:

This is in response to your e-mail of 1/25/2010, requesting concurrence on a request for partial bond release for Basin Perlite's Pearl Queen Mine (DOGM LMO M/001/0027). The LMO includes State and BLM-managed lands encompassing the Pearl Queen and Schoo pits. The partial release is for adequately reclaimed or undisturbed State-managed lands.

We have no objections to the partial bond release. BLM is confident that the remaining bond amount, \$57,700, is more than adequate to cover 3rd party reclamation costs for any remaining unreclaimed disturbances on BLM and State-managed lands.

I would note that BLM's GPS survey of existing unreclaimed disturbances on BLM-managed lands, these being the Schoo Pit area, differ somewhat from the operator's estimate of 12.1 acres. Our estimate is 9.6 acres (see attached .pdf map). Without further disturbances in the Schoo Mine, this difference only serves to increase our confidence that the remaining bond will be more than adequate for the remaining disturbances.

(See attached file: 80276 Map 1(Jan 2010).pdf)

Ed Ginouves
Minerals Specialist
BLM - Cedar City Field Office
176 East DL Sargent Drive
Cedar City, UT 84720
435-865-3040

RECEIVED E-Mail

JAN 25 2010

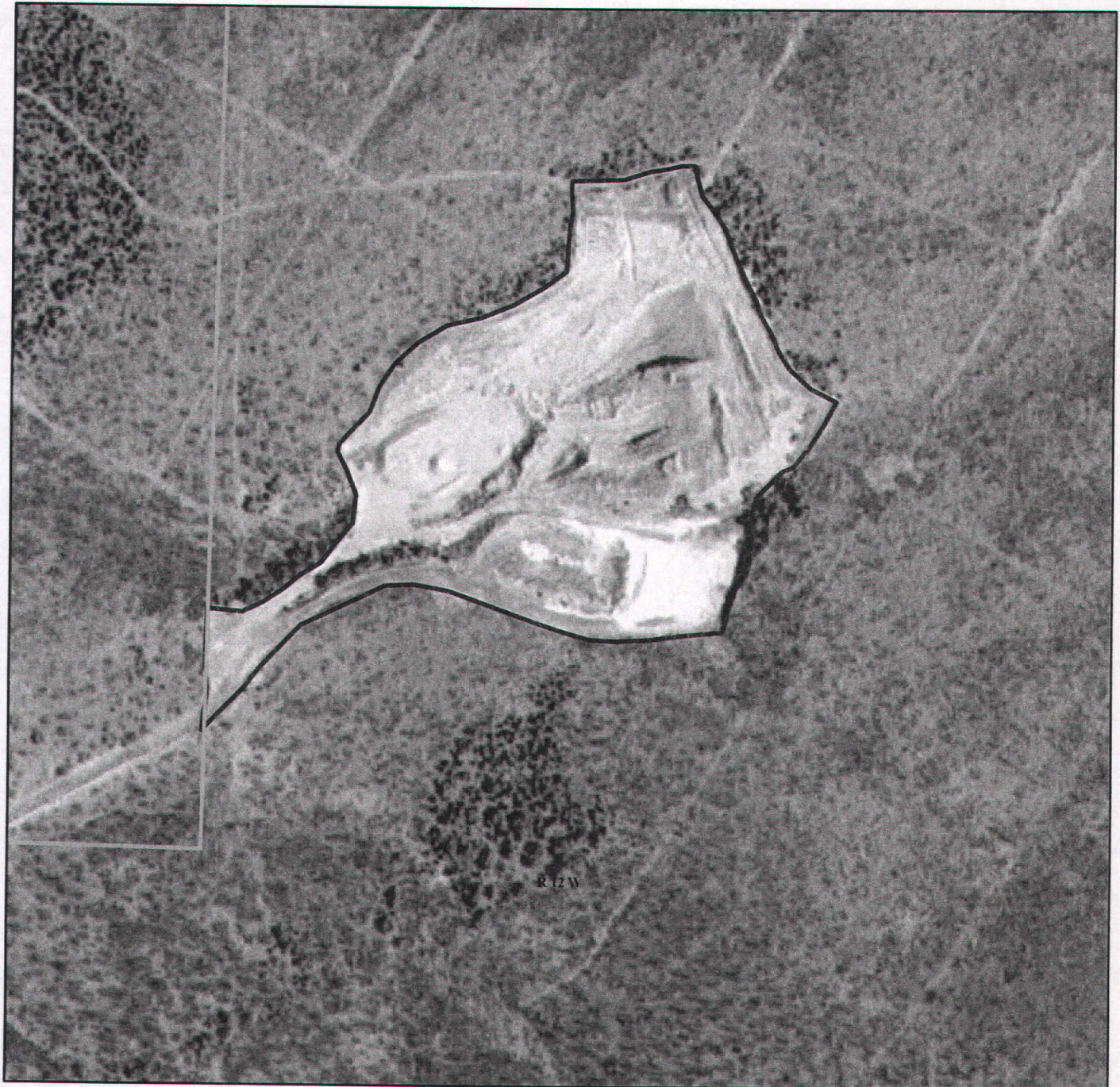
Div. of Oil, Gas & Mining

M/001/0027

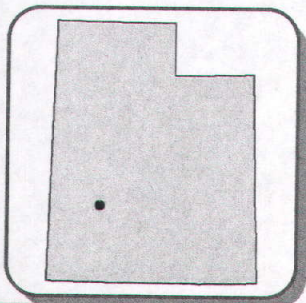
UTU-80276: Schoo Perlite Mine
T. 27 S., R. 9 W., sec. 1:
portions of SWSW
9.6 acres

State of Utah
BLM Cedar City Field Office

T
29
S



R 12 W

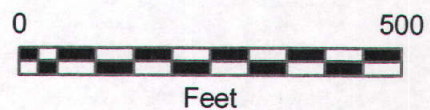


RECEIVED E-Mail

JAN 25 2010

Div. of Oil, Gas & Mining

1:3,000



Feet

CAUTION:

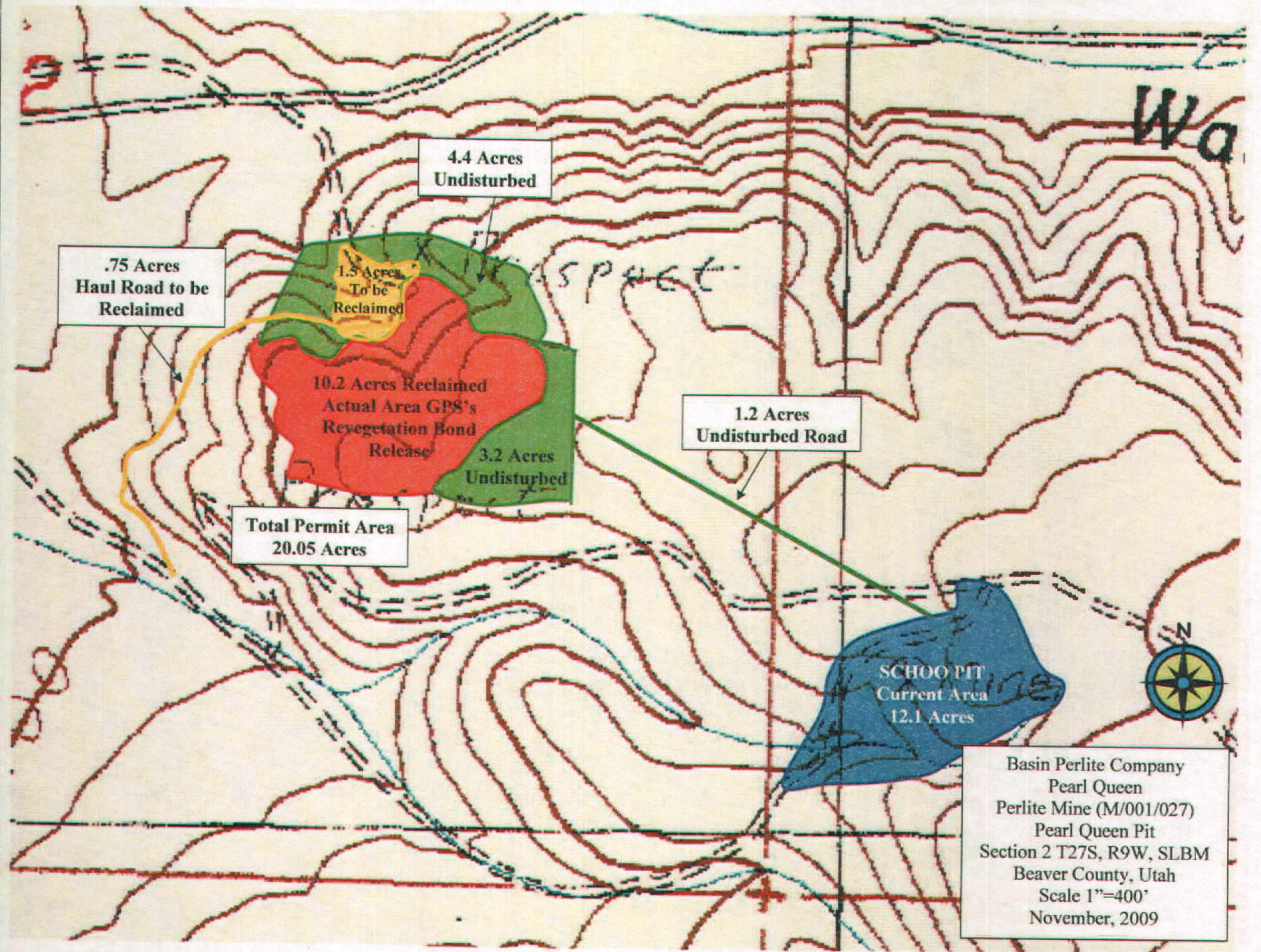
Land ownership data is derived from less accurate data than the 1:24000 scale base map. Therefore, land ownership may not be shown for parcels smaller than 40 acres, and land ownership lines may have plotting errors due to source data.

No warranty is made by the Bureau of Land Management for the use of the data for purposes not intended by the BLM.



United States Department of the Interior
Bureau of Land Management
Utah BLM Office





Basin Perlite Company
Pearl Queen
Perlite Mine (M/001/027)
Pearl Queen Pit
Section 2 T27S, R9W, SLBM
Beaver County, Utah
Scale 1"=400'
November, 2009

This page is a reference page used to track documents internally for the Division of Oil, Gas and Mining

Mine Permit Number M1001/0027 Mine Name PEARL QUEEN
Operator _____ Date OF FINDINGS 1-26-10
TO _____ FROM _____

☐ CONFIDENTIAL ☐ BOND CLOSURE ☐ LARGE MAPS ☐ EXPANDABLE
☒ MULTIPUL DOCUMENT TRACKING SHEET ☐ NEW APPROVED NOI
☒ AMENDMENT ☐ OTHER _____

Description

YEAR-Record Number

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded
BOND RELEASE FINDINGS 2010-0001

CONFIDENTIAL

☐ NOI ☐ Incoming ☐ Outgoing ☒ Internal ☐ Superceded
BOND RELEASE FINDINGS 2010-0007

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ NOI ☐ Incoming ☐ Outgoing ☐ Internal ☐ Superceded

☐ TEXT/ 81/2 X 11 MAP PAGES ☐ 11 X 17 MAPS ☐ LARGE MAP

COMMENTS: _____

CC: _____